



## 2024 Annual Report Annual Meeting September 26 - 9:00 am

Join us online for the annual meeting on Friday, September 26th. You can participate online via Zoom or by phone.

**BY ZOOM:** Go to [www.linncountyrec.com](http://www.linncountyrec.com) annual meeting page. Use the Join Zoom Meeting link and enter Meeting ID: 861 1311 5543 and Passcode: 374649. The virtual meeting room opens at 8:45 a.m. and the business meeting begins at 9:00 a.m. The meeting will be recorded and available on our YouTube channel.

**BY PHONE:** Call 1-312-626-6799, enter Meeting ID: 861 1311 5543 Passcode: 374649.

## Annual Meeting Agenda

**8:45 am Virtual Annual Meeting Room opens**

**9:00 am Business Meeting Begins**

- Report of Nominating Committee
- Reading of Official Notice and Last Year's Minutes
- President & CEO's report
- Election returns

## Official Notice of Annual Meeting

The annual meeting of the members of Linn County Rural Electric Cooperative Association, will be held online Friday, Sept. 26, 2025, at 9:00 am. The online meeting room opens at 8:45 am. Use the web link to access the meeting at [www.linncountyrec.com](http://www.linncountyrec.com). The purpose of this meeting is to take action on the following matters:

- 1.) As noted in the agenda.
- 2.) The election of two directors of the Cooperative. The bylaws provide that you may vote electronically or by mail. Mail ballots will be sent to you under separate cover, or vote online through SmartHub or [www.directvote.net/LCRECIA](http://www.directvote.net/LCRECIA) Aug. 25th through Sept. 22nd.
- 3.) All other business which may come

before the meeting or any adjournment or adjournments. In connection with the election of the two directors scheduled for this meeting, the following members have been nominated for directors by a Committee of Nominations appointed by the Board of Directors of the Cooperative pursuant to the bylaws:

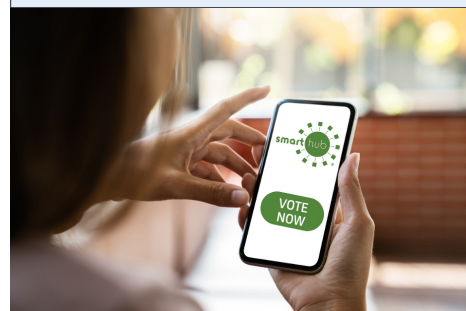
Name	District
Rick Hannen	1
Wesley Nelson	1
Kenny Squires	1

Ben Garrett	5
Lisa Rose	5

There were no nominations by petition.  
Dated September 1, 2025

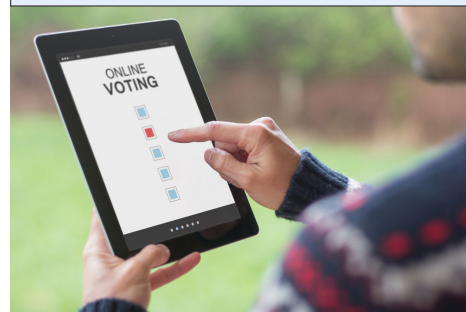
Gary Schlotterbeck, Secretary

## Vote On Smarthub



Vote online through SmartHub! Simply log in to your account and click the "vote now" button. Online voting is available through September 22nd. Don't have SmartHub? Create an account on our website.

## Vote Online



Vote via the official 2025 Linn County REC Election website. Log in to [directvote.net/LCRECIA](http://directvote.net/LCRECIA). Use your member number and election passcode (top left corner) to log in. Online voting is available through Sept. 22nd.

## Vote By Mail



Survey & Ballot Systems (SBS) mailed ballots August 25th. Return your completed ballot by using the provided prepaid envelope by September 22nd.

## 2024 YEAR IN REVIEW

# A Message To Our Members

We are proud to share the Linn County REC 2024 Annual Report — a reflection of a year marked by both growth and response to challenges. This report highlights our progress, achievements, and continued commitment to serving our members and community.

### Financial Performance:

In 2024, Linn County REC achieved \$67 million in operating revenue, reflecting a 1% increase over 2023. Power costs decreased slightly by 0.47%, totaling \$35.2 million. Our operating margin after fixed charges came in at \$4.8 million, a decrease of \$740,000 from the previous year. Despite the reduction, we remained well within the requirements set by our lenders.

We're also proud to continue returning value to our members. In 2024, the Board of Directors authorized the return of \$500,000 in capital credits. If you received electric service from us during the year, you'll see a bill credit on your September statement, based on your 2024 energy usage.

### Growth & Investment:

Our cooperative experienced growth this year:

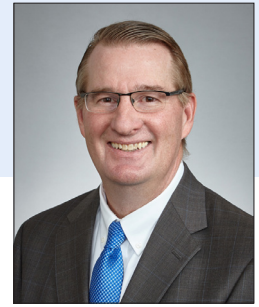
- **1,048 new services were installed, compared to 899 in 2023**
- **Total active services reached 34,794 by year-end**

To support this growth and strengthen our infrastructure, we made strategic investments totaling \$15.7 million in capital improvements. Of this, 97% was directed toward line construction, new service connections, and substation upgrades, while the remainder supported essential equipment upgrades.

We also remained focused on reliability. In 2024, members experienced a total of 64,000 consumer outage hours—a small fraction of more than 300 million total service hours. The average outage duration was 80 minutes. Leading causes included wind, trees, lightning, and animals. In response, we continued proactive efforts like system maintenance, tree trimming, and animal guard installations to reduce service disruptions and enhance reliability.



**Gary Schropp**  
President



**Terry Sullivan**  
General Manager/CEO

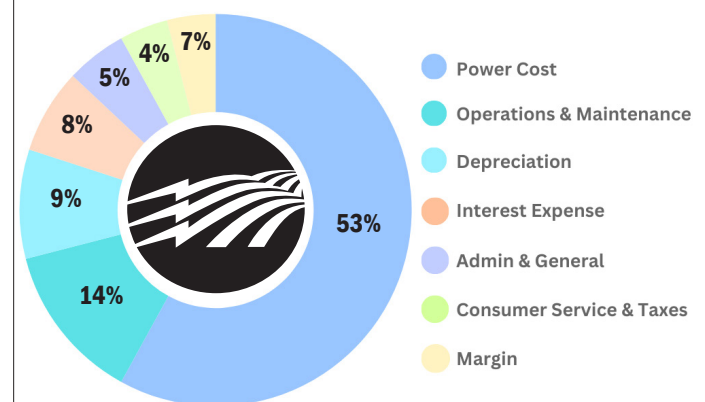
### Looking Ahead:

As we look to the future, we remain focused on improving service, modernizing operations, and investing in solutions that meet the evolving energy needs of our members.

A major milestone in 2025 will be our rebranding. As previously announced in our member newsletter, we will officially become Corridor Energy Cooperative on **December 8**. The rebrand better reflects who we are and where we're going. For more details about our rebrand, visit our website.

As we transition to our new brand name, we remain committed to delivering safe, reliable, cost-effective electricity to our members. Thank you for being a vital part of our journey; we look forward to powering the future of our communities!

### How Your Dollar Is Spent



# Meet The Candidates

Districts 1 and 5 are up for election this year. Voting is available online or by paper ballot until September 22nd. All members may cast a vote regardless of the district you reside in. Due to space limitations, full candidate biographies are available at [www.linncountyrec.com](http://www.linncountyrec.com).

## District 1: Rick Hannen

"I am a retired farmer. I also worked for 30 years for the local electric utility to pay for our farm. My wife and farming partner have been married for 58 years. We have two daughters and two granddaughters.



The electric utility business is changing because of the expansion of wind, solar (both utility and private), battery technology, electric vehicles, and time of day load shifting by consumers.

If elected I hope that my experience in electric power generation and transmission will be useful to help our cooperative navigate these changes."

## District 1: Wesley Nelson

**What strengths would you bring to our board if elected?** "As a CPA with extensive REC audit experience, a proven track record, and a solid Finance background I am eager to use this to assist the REC Board. In Public Accounting, I performed audits on REC's involving all aspects of the audit including inventory, reviewing debt, confirmations, staff and management discussions, internal control and drafting, delivering and presenting audit reports to the REC Board of Directors. In running the City of Marion Finance Department, I was responsible for overseeing all aspects of the Department including receipts, disbursements, investments, debt, TIF, etc., but also during that time assisted Linn County REC with TIF (Tax Increment Financing) with the former Manager."



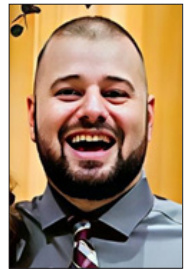
## District 1: Kenny Squires

**What strengths would you bring to our board if re-elected?** "As a credentialed cooperative director, I continue to stay updated on changing environmental issues and on changes that affect the cooperative. I am conservative, dependable, am open to listen and address issues. My core ethical values are honesty, responsibility, fairness, respect and compassion."



## District 5: Ben Garrett

**What strengths would you bring to our board if elected?** "I would bring analytical strengths that would help me assess and appropriately tackle any issues that may arise. I am calm and cool headed, and have a background in finance which will help me look at ways to efficiently use the budget to help make improvements to services for members and save the cooperative money. Agile/scrum planning for project management."

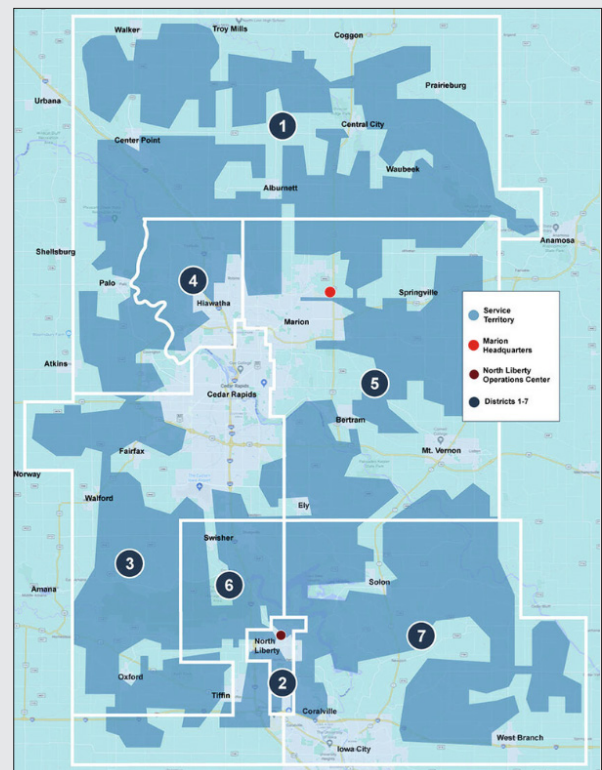


## District 5: Lisa Rose

**What strengths would you bring to our board if re-elected?** "Large account management and expansion, client relationship management, new business development, consultative sales and marketing, motivational leadership and team management, creative and resourceful crisis management, revenue generation and profitability."



## Board District Map





## Assets & Liabilities

Linn County Rural Electric Cooperative Association and Subsidiary,  
Marion, IA Consolidated Balance Sheets, December 31, 2024 and 2023.

ASSETS	2024	2023
<b>UTILITY PLANT</b>		
Electrical Plant in Service	\$212,239,658	\$196,923,816
Construction Work in Progress	<u>5,763,390</u>	<u>5,415,814</u>
Total	218,003,048	202,339,630
Less Accumulated Provision for		
Depreciation	<u>(55,197,389)</u>	<u>(51,323,279)</u>
Net Utility Plant	162,805,659	151,016,351
<b>INVESTMENTS</b>		
Investments in Assoc. Organizations	36,936,049	35,257,806
Non-Utility Property	1,089,179	1,152,446
Other Investments	<u>942,338</u>	<u>964,500</u>
Total Investments	38,967,566	37,374,752
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	2,379,284	1,698,782
Accounts Receivable, Net	6,640,557	6,682,241
Materials and Supplies Inventory	12,025,680	11,114,519
Prepaid Expenses	134,005	324,346
Other Current and Accrued Assets	<u>50,001</u>	<u>50,001</u>
Total Current Assets	<u>21,229,527</u>	<u>19,869,889</u>
Total Assets	<u>\$223,002,752</u>	<u>\$208,260,992</u>
<b>EQUITIES AND LIABILITIES</b>		
<b>EQUITIES</b>		
Patronage Capital	\$17,620,829	\$16,574,296
Other Equities	<u>80,030,012</u>	<u>73,367,509</u>
Total Equities	97,650,841	89,941,805
<b>LONG-TERM DEBT</b>		
<b>(LESS CURRENT MATURITIES)</b>	112,549,029	106,279,397
<b>ACCUMULATED PROVISIONS FOR</b>		
<b>PENSIONS AND BENEFITS</b>	253,833	227,599
<b>CURRENT LIABILITIES</b>		
Current Maturities of		
Long-Term Debt	5,685,000	5,237,000
Accounts Payable	3,370,139	2,915,901
Consumer Deposits	224,625	214,645
Other Current and Accrued		
Liabilities	<u>1,679,815</u>	<u>1,621,073</u>
Current Portion of Deferred Credits	-	-
Total Current Liabilities	10,959,579	9,988,619
<b>DEFERRED CREDITS (LESS CURRENT PORTION)</b>	<u>1,589,470</u>	<u>1,823,572</u>
Total Equities and Liabilities	<u>\$223,002,752</u>	<u>\$208,260,992</u>

## Consolidated Statements of Revenue & Expenses

Linn County Rural Electric Cooperative Association and Subsidiary,  
Marion, IA Consolidated Statements of Operations and Patronage  
Capital for the years ended, December 31, 2024 and 2023.

	2024	2023
<b>OPERATING REVENUES</b>	\$67,035,413	\$66,080,294
<b>OPERATING EXPENSES</b>		
Cost of Power	35,241,484	35,409,554
Distribution Expense - Operations	6,014,349	5,403,324
Distribution Expense - Maintenance	3,142,672	3,236,585
Consumer Account Expense	1,502,935	1,463,986
Sales Expense	1,146,038	887,776
Administrative and General Expense	3,384,796	3,180,354
Depreciation Expense	5,827,604	5,495,468
Taxes	942,433	921,909
Other Deductions	<u>20,271</u>	<u>3,745</u>
Total Operating Expenses	<u>57,222,582</u>	<u>56,002,701</u>
<b>OPERATING MARGINS BEFORE</b>		
<b>FIXED CHARGES</b>	9,812,831	10,077,593
<b>INTEREST EXPENSE</b>		
Long-Term Debt	4,984,270	4,522,858
Other	<u>32,317</u>	<u>18,396</u>
Total Interest Expense	<u>5,016,587</u>	<u>4,541,254</u>
<b>OPERATING MARGINS AFTER</b>		
<b>FIXED CHARGES</b>	4,796,244	5,536,339
<b>GENERATION AND TRANSMISSION AND</b>		
<b>OTHER CAPITAL CREDITS</b>	<u>3,522,258</u>	<u>3,187,435</u>
<b>NET OPERATING MARGINS</b>	8,318,502	8,723,774
<b>NON-OPERATING MARGINS</b>		
Interest Income	233,777	233,396
Other Non-Operating Margins	162,763	213,354
Gain (Loss) from Equity Investments	<u>1,145</u>	<u>(875)</u>
Total Non-Operating Margins	<u>397,685</u>	<u>445,875</u>
<b>NET MARGINS</b>	\$8,716,187	\$9,169,649

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